

## REMARKS

1. Applicant thanks the Examiner for the Examiner's comments, which have greatly assisted Applicant in responding.

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## 35 U.S.C. §103

2. 35 U.S.C. §103(a).

10 The Examiner stated that the rejection to Claims 1-56 under 35 U.S.C. §103(a) as being unpatentable over Funk (U.S. Patent No. 5,832,463) In view of Downs, Jr. (U.S. Patent No. 6,654,487) as set forth in the office action mailed on 01/19/2005 is maintained.

15 Applicant respectfully disagrees.

20 (a) First, Applicant is of the opinion that a prima facie case of obviousness was not established because the three criteria were not met. According to MPEP 2142, the prior art reference (or references when combined) must teach or suggest all the claim limitations. Except for independent Claim 1(2), the Office Action fails to consider the claim language for all other *independent* Claims and, indeed, *all* dependent Claims. The basis for rejection of such claims is not made clear to Applicant. At least one criteria for establishing a facie case of obviousness is not met.

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Further, 37 C.F.R. 1.104(c)(2) states, "The pertinence of each reference, if not apparent, must be clearly explained and each rejected claim specified." Again, because the Office Action fails to specify clearly why each Claim and, indeed, the Claim elements were rejected, Applicant is of the opinion that this Office Action is not 30 in compliance with such rule.

In view the above, Applicant respectfully requests that the Examiner withdraw the finality of the Office Action.

35 (b) For the purpose of expediting the patent application process in a manner consistent with the PTO's Patent Business Goals, 65 Fed. Reg. 54603 (9/8/00), Applicant states the following. Applicant has amended Claim 1 to further clarify the invention.

Amended Claim 1 appears as follows:

1. (currently amended) A system for automatically converting checks to ACH debits, comprising:  
5 means for reading a MICR line in a check at a point where said check is presented;  
means for prior to parsing said MICR line, making a decision automating a determination process that determines, by applying various rules and by using data stored in a database, if said check can be converted to an ACH debit;  
10 means for processing said check as a normal check, when said check cannot be converted to said ACH debit; and  
means for parsing said MICR line for creating said ACH debit by a financial institution that issued said check, when said check can be converted to said ACH debit.  
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Support for the amendment can be found at least as follows (emphasis added):

20 (On page 5, lines 3-10)

A technique is provided for automatically converting checks to ACH debits. The process is a two-part process in which the MICR line in a check is read at the point the check is presented and a decision is made if the check can be converted to an ACH debit. The decision is made by applying various rules. If the system is unable to convert the check to an ACH debit, then the check is processed as a normal check. If a decision is made that the check can be processed as an ACH debit, then the MICR line is parsed for the financial institution which issues the check to create the ACH debit.  
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(On page 6, lines 26-28)

On the front end, software upgrades and conversion tables are provided to assist customers in identifying ineligible items and in correctly parsing check MICR line information.  
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(On page 7, lines 5-7)

For items drawn on the approximately 2,000 financial institutions that do not accept ACH entries, the invention provides options to create and deposit drafts, thereby making a total electronic solution for customers.

5 (On page 21, line 26 through page 20, line9)

Some ways for using the Decisioning Table are provided as follows:

10 • Install the financial institution facility's database in the customer's platform and use it to determine eligible and ineligible items. Then send the resulting data file to the financial institution's facility, which then parses the data and creates and processes a NACHA formatted file containing the customer's transactions.

15 • Install the financial institution facility's database in the customer's platform and use it to determine eligible and ineligible items. Then, the customer sends the full MICR line, amount, and the customer reference number to the financial institution facility, which then performs enhanced modifications and corrections, such as adding or deleting 20 leading zeros, and credit union conversion modifications, and the like, and as discussed in detail herein.

25 In particular, neither Funk nor Downs teach, suggest, or contemplate a system that provides "prior to parsing said MICR line, means for automating a determination process that determines, by applying various rules and by using data stored in a database, if said check is eligible to be converted to an ACH debit."

30 Funk simply teaches a system for electronically transmitting the check amount and check account information. Downs simply teaches a method for MICR validation only.

Combining Funk with Downs as the Office Action suggests would not result in the claimed invention.

35 Therefore, Funk and Downs do not teach or disclose the invention as claimed.

Hence, Claim 1 (2) is deemed in allowable condition. Accordingly, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a). 15

5 (c) In view of the above, Claims 3-56 are deemed allowable because they meet the conditions for allowance set forth by the applicable Patent Laws, Patent Office Rules, and controlling case law. As such, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

10 3. It should be appreciated that Applicant has elected to amend the Claims solely for the purpose of expediting the patent application process in a manner consistent with the PTO's Patent Business Goals, 65 Fed. Reg. 54603 (9/8/00). In making such amendment, Applicant has not and does not in any way narrow the scope of protection to which Applicant considers the invention herein to be entitled.

15 Rather, Applicant reserves Applicant's right to pursue such protection at a later point in time and merely seeks to pursue protection for the subject matter presented in this submission.

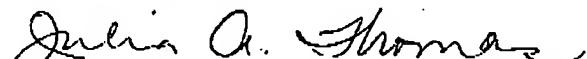
**CONCLUSION**

Based on the foregoing, Applicant considers the present invention to be  
5 distinguished from the art of record. Accordingly, Applicant earnestly solicits the  
Examiner's withdrawal of the rejections raised in the above referenced Office Action,  
such that a Notice of Allowance is forwarded to Applicant, and the present  
application is therefore allowed to issue as a United States patent. The Examiner is  
invited to call (650) 474-8400 to discuss the response.

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Respectfully Submitted,

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